**Amendments to the Specification**

Please **replace** the paragraph beginning at page 4, line 20 with the following:

-- Fig. 1 shows a block diagram of portable audio device 10 according to the present invention. The arrangement and operation of the various elements are described hereinbelow. However, the details of the various elements of audio device 10 are well known to those skilled in the art and will not be discussed here. Audio device 10 comprises micro-controller 22 that controls the various elements and the overall operation of audio device 10, including the transferring data from memory card 32 to DSP 12. Micro-controller 22 includes a suitable amount of memory 23, in this case 48 KB of ROM, which includes various instruction sets, decryption programs, key files and a security code for controlling the operation of audio player 10 stored thereon. Micro-controller 22 communicates with DSP 12 via bus 29 and 30, and may transmit control signals to card 32 via bus 34. Suitable micro-controllers include, but are not limited to, μPC78A4036 manufactured by NEC Corporation.--

Please **replace** the paragraph beginning at page 5, line 1 with the following:

-- Audio device 10 also includes digital signal processor ("DSP") 12 that may be programmed to perform a variety of signal processing functions during playback of a selected audio data file. In this case, the functions that DSP 12 performs during playback includes, but is not limited to, decrypting a decryption program using a security code, decrypting a decoder file with the decryption program using a first key, decrypting an audio data file with the decryption program using a second key and a unique identifier associated with memory card 32, and decoding the audio data file using the decoder file. Other functions include volume control, digital sound equalizer, and sample conversion. In that regard, DSP 12 includes on-board memory 11, in this case 64 [[KW]] KB of RAM, wherein the decryption program, key

files, security code, decoder files and audio data files, and various other required data are loaded during playback. --

Please **replace** the paragraph beginning at page 6, line 22 with the following:

-- Keyboard 26 comprises a plurality of keys disposed on the housing of audio player 10 for allowing a user to select a particular audio data file for playback and to control playback settings. Keyboard 26 is coupled to micro-controller 22 via bus 28. LCD display module 20 is coupled to micro-controller 22, via bus 31, and provides a listing of the selections available on memory card 32 and also status information regarding audio player 10. DC/DC converter power supply 24 provides power to audio player 10. Power to DC/DC converter 24 may be provide by a pair of batteries via connection 35 or by a DC input source through connection 36. DC/DC converter 24 may be controlled by micro-controller 22 via connection 27.--